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NO. 9313 P. 13

Application No.: 09/581,021

Docket No.: 21776-00050-US

**REMARKS**

Claims 1, 47-60, 62-58, and 69-70 are now pending in this application. Claims 1, 51, 53-56, and 69-70 are independent. Claims 1, 48, 50-58, and 69-70 have been amended, and claims 59-60 and 62-68 have been canceled by this amendment. No claims have been added, and no new matter has been added by any claim amendment.

**Election/Restriction**

The Examiner required cancellation of previously non-elected method claims 59-60 and 62-68. In response to the Restriction Requirement, claims 59-60 and 62-68 have been canceled without prejudice or disclaimer.

**Indefiniteness Rejections**

Withdrawal of the rejection of claims 1, 47-58, 69, and 70 under 35 U.S.C. § 112, second paragraph, as being indefinite, is requested. The pending claims have been amended to include changes made in response to the specific matters raised in the Office Action, as well as to improve their overall clarity. No new matter is involved with any claim amendment.

With respect to the Examiner's comments regarding dependent claim 49, the Examiner's attention is invited to review at least the fourth and fifth full paragraphs on p. 47 of the Substitute Specification, where "C1" and "C2" are discussed. "C1" and "C2" are further discussed in following pages of the Specification, and in bracketed portion "C" in Drawing FIG. 7. Claim 49 is believed to clear in light of Applicants' disclosure however, in an effort to expedite the prosecution of this application, clarifying amendments have been made to claim 49. Support for this clarifying amendment can be found at least in the Specification as cited above, and in FIG. 7.

As for the Examiner's comments concerning claim 52 and "plural levels" of conditions for determining clusters, the Examiner's attention is invited at least at pp. 95+ of the Substitute Specification and FIG. 61 of the Drawings for an explanation of this claimed feature.

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Entry of the clarifying amendments after final made to the claims in response to the Examiner's assertion of indefiniteness is requested, as no new matter or new issue has been raised.

**Unpatentability Rejection over Walker in View of the Examiner's "Official Notice"**

Withdrawal of the rejection of claims 1, 47-58, and 69-70 under 35 U.S.C. § 103(a) as being unpatentable over Walker et al. (U.S. Pat. No. 5,794,207) in view of the Examiner's taking of "Official Notice" is requested.

**Discussion of Walker**

The reference is directed to an apparatus which can conclude a sale of goods where buyers and sellers provide information via computer terminals. In one embodiment of the invention, a buyer purchases goods based on a plurality of pieces of selling information presented from a plurality of sellers which is ordered. For example, a buyer can specify information  $X_a$  identifying certain goods of interest. A plurality of sellers can present selling information for each seller  $Y_a, Y_b, Y_c$ , etc. and the buyer can purchase the goods from the seller having the lowest price. In this embodiment, the bargain is concluded based on the order of the selling information. Specifically, there is one buyer and  $N$  sellers having  $N$  pieces of selling information  $1:N$ . The ordered information is used to select a low price item.

**Distinctions over Walker**

In contrast, the claimed invention provides for the purchase and sale process based on a plurality of pieces of buying information as well as a plurality of pieces of selling information. Plural buyers and plural sellers who want to buy and sell specific goods are linked together to form a system generally described as  $M:N$ , representing plural sellers and buyers. Thus, plurality buying information  $X_a, X_b, X_c$ , etc. and a plurality of selling information  $Y_a, Y_b, Y_c$ , etc. regarding specific goods is entered via the buyer and seller terminals and is used to form a bargain for goods. In this system, it is not necessary that the buyers or the sellers compete

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against each other, only that each has what the other wants and a common buying and selling price.

The present invention differs from the Walker et al. patent. The Walker device provides a buyer ability to purchase a ticket from one of a plurality of sellers who want to sell the ticket. With the Walker et al. system of the '207 patent, two or more people may wish to purchase a ticket. This is effectively a 1:N relationship.

The Walker '207 reference fails to disclose a plurality of buyers and sellers of the same product linked together to form a sale. That is, the reference fails to disclose a plurality of pieces of selling and a plurality of pieces of buying information for the same product, where a bargain is made once the conditions for both selling and buying information matches. The M:N transaction scenario is not disclosed at all in Walker. The Walker '207 patent merely shows that a transaction can be made between a buyer and plural sellers for the same goods.

FIG. 16 of the present application represents this transaction scenario which is not disclosed in the Walker '207 patent. (1) Three sellers can sell, for instance, chrysanthemum/white by posting selling information such as a unit price at .90 dollars to 1.20 dollars, (2) unit price at 1.1 dollars, and (3) unit price at 1.15 to 1.2 dollars respectively. One of five buyers can issue buying information comprising a desired unit price of less than 1.10 dollars, and this will correlate with the selling information of the first and second sellers since there is an agreement on price. Similarly, nine collations about selling information from three sellers, and selling information from five buyers of the chrysanthemum/white flowers are carried out. Among the nine collations, a conclusion is reached in the order of the higher buying price or in the order of the larger number of candidates. If the conditions specified in the selling information and the buying information match, within one cycle of processing (within the limits of FIG. 7 (c)), a plurality of deals are concluded between a plurality of sellers and buyers.

Using clustering, it is possible for a plurality of sellers and plurality of buyers to provide selling and buying information about numerous products, besides the chrysanthemum/white flowers, such as chrysanthemum/yellow and rose flowers, etc. as indicated on page 56 of the

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specification. The information is clustered, for the same goods, and when buying and selling information for the same goods correspond, a sale is concluded.

The foregoing is not disclosed in the Walker et al. '207 patent, which discloses purchasing a ticket from a buyer by a plurality of sellers representing the transaction 1:N. If two purchasers are attempting to purchase a ticket, Walker et al. performs two separate transactions for each of the purchasers X1 and X2. Since these purchases are not in any way linked, the dealing process cannot be concluded based on which purchaser has the higher bidding price.

#### **Examiner's Taking of Official Notice**

The Examiner admits that the applied art is silent regarding the goods sold on the system decreasing in value over time, and is further silent on allowing buyers to enter desired buying date information and goods arrival place.

In response to this admitted deficiency of the applied art, and at least with respect to independent claim 1, the Examiner resorts to the taking of "Official Notice" that "it is old and well known in the art of trade for prices of goods to become lower with time as these goods may be, for example, perishable, become less desirable due to trends/fads/seasons and/or depreciate." The Examiner further asserts that "[i]t would have been obvious to one having ordinary skill in the art at the time the invention was made to provide the apparatus of Walker et al. with the sale of goods that have prices that become lower with time as taught by Examiner's Official Notice, in order to sell goods that are perishable, become less desirable due to trends/fads/seasons, and/or depreciate."

In further response to the admitted deficiency of the applied art, the Examiner again resorts to the taking of "Official Notice" that "it is old and well known in the art of trade for buyers to include purchase dates and delivery locations in purchase agreement contracts to ensure the goods procured arrive at a specified location when the buyer needs them."

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Regarding claim 50, the Examiner also takes Official Notice that "it is old and well known in the art of computers to use displays to view data to allow managers of databases to view contents."

Regarding claim 51, the Examiner also takes Official Notice that "it is old and well known in the art of database management to sort and /or organize data into categories to provide fast access to the organized data."

Regarding claims 53 and 54, the Examiner also takes Official Notice that "it is old and well known in the art of database management to sort and /or organize data into categories to provide fast access to the organized data."

Regarding claim 55, the Examiner again resorts to the taking of "Official Notice" that "it is old and well known in the art of supply chain automation to use delivery cost tables to provide buyers and/or sellers with the cost for delivery of goods so it can be incorporated into the cost of the goods."

Regarding claim 58, the Examiner again resorts to the taking of "Official Notice" that "it is old and well known in the art of supply chain automation for sellers to use forecasting to predict what quantities of goods they will have available for sale so sellers can take measures to sell this predicted future inventory" and that "it is old and well known the art of supply chain automation for sellers to confirm orders to ensure [sic] buyers that the orders will be fulfilled."

Regarding claim 69, the Examiner again resorts to the taking of "Official Notice" that "it is old and well known to organize data into categories and subcategories within a database to expedite data processing."

Regarding claim 70, the Examiner also takes Official Notice that "it is old and well known in the art of database management to sort and /or organize data into categories to provide fast access to the organized data."

Applicants respectfully traverse all the assertions of "Official Notice" and "well-known" techniques, as discussed further below.

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According to the MPEP, "[i]n limited circumstances, it is appropriate for an Examiner to take official notice of facts not in the record or to rely on 'common knowledge' in making a rejection, however such rejections should be judiciously applied."<sup>1</sup>

In particular, the MPEP goes on to state that:

It would not be appropriate for the examiner to take official notice of facts without citing a prior art reference where the facts asserted to be well known are not capable of instant and unquestionable demonstration as being well-known. For example, assertions of technical facts in the areas of esoteric technology or specific knowledge of the prior art must always be supported by citation to some reference work recognized as standard in the pertinent art. *In re Ahlert*, 424 F.2d at 1091, 165 USPQ at 420-21. *See also In re Grose*, 592 F.2d 1161, 1167-68, 201 USPQ 57, 63 (CCPA 1979) ("W]hen the PTO seeks to rely upon a chemical theory, in establishing a prima facie case of obviousness, it must provide evidentiary support for the existence and meaning of that theory."); *In re Eynde*, 480 F.2d 1364, 1370, 178 USPQ 470, 474 (CCPA 1973) ("[W]e reject the notion that judicial or administrative notice may be taken of the state of the art. The facts constituting the state of the art are normally subject to the possibility of rational disagreement among reasonable men and are not amenable to the taking of such notice.").

It is never appropriate to rely solely on "common knowledge" in the art without evidentiary support in the record, as the principal evidence upon which a rejection was based. *Zurko*, 258 F.3d at 1385, 59 USPQ2d at 1697 ("[T]he Board cannot simply reach conclusions based on its own understanding or experience-or on its assessment of what would be basic knowledge or common sense. Rather, the Board must point to some concrete evidence in the record in support of these findings."). While the court explained that, "as an administrative tribunal the Board clearly has expertise in the subject matter over which it exercises jurisdiction," it made clear that such "expertise may provide sufficient support for conclusions [only] as to peripheral issues." *Id.* at 1385-86, 59 USPQ2d at 1697. As the court held in *Zurko*, an assessment of basic knowledge and common sense that is not based on any evidence in the record lacks substantial evidence support. *Id.* at 1385, 59 USPQ2d at 1697. *See also In re Lee*, 277 F.3d 1338, 1344-45, 61 USPQ2d 1430, 1434-35 (Fed. Cir. 2002) (In reversing the Board's decision, the court stated "'common knowledge and common sense' on which the Board relied in rejecting Lee's application are not the specialized knowledge and expertise contemplated by the Administrative Procedure Act. Conclusory statements such as those here provided do not fulfill the agency's obligation. The board cannot

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<sup>1</sup> See MPEP §2144.03

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rely on conclusory statements when dealing with particular combinations of prior art and specific claims, but must set forth the rationale on which it relies."').<sup>2</sup>

In accordance with MPEP §2144.03(C), Applicants hereby traverse the improper taking of "Official Notice" by the Examiner. Applicants submit that it is not "well known", especially in a computer-based apparatus for buying and selling goods among a number of different buyers and sellers and by which sellers are matched with appropriate buyers as claimed, to automatically account for price reductions for goods, for example, which are perishable or are less desirable by being subject to trends, fads, or seasons. Similar traversals are made for the various other assertions of "Official Notice" above, because of the novel an non-obvious computer-implemented buying and selling apparatus and articles of manufacture, as variously claimed.

If, in fact, the Examiner's assertion is notoriously "well-known" and capable of instant, unquestioned acceptance, then providing an appropriately combinable reference (or references) demonstrating the alleged facts should pose no difficulty for the Examiner.

If the examiner maintains the rejection by continuing to rely upon "Official Notice", then the Examiner must provide documentary evidence in the next Office action as required by the Patent Rules.<sup>3</sup> If the examiner is relying on personal knowledge to support the finding of what is known in the art, the examiner must provide an affidavit or declaration setting forth specific factual statements and explanation to support the finding.

To summarize, any rejection based on assertions that a fact or facts are well-known or common knowledge in the art without documentary evidence to support the Examiner's conclusion are merely conclusory, and should be judiciously applied. Furthermore, as noted by the court in *Ahlert*, any facts so noticed should be of notorious character and serve only to "fill in the gaps" in an insubstantial manner which might exist in the evidentiary showing made by the examiner to support a particular ground for rejection. It is *never* appropriate to rely solely on

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<sup>2</sup> *Id.* at para. B.

<sup>3</sup> See 37 CFR 1.104(c)(2). See also *Zurko*, 258 F.3d at 1386, 59 USPQ2d at 1697 ("[T]he Board [or examiner] must point to some concrete evidence in the record in support of these findings" to satisfy the substantial evidence test).

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common knowledge in the art without evidentiary support in the record as the principal evidence upon which a rejection was based.<sup>4</sup>

### Conclusion

In view of the foregoing amendments and remarks, reconsideration and allowance of pending claims 1, 47-60, 62-58, and 69-70 in this application are requested.

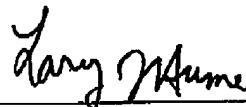
The Examiner is respectfully requested to enter this Amendment After Final, in that it raises no new issues, but merely places the claims in a form more clearly patentable over the references of record, and all claim amendments were made in response to the Examiner's allegations of indefiniteness. In the alternative, the Examiner is respectfully requested to enter this Amendment After Final in that it reduces and clarifies the issues for appeal.

Further, in the event the Examiner considers that an interview would expedite prosecution of this subject matter, please contact the undersigned attorney at the telephone number below.

For any fees that are due, including fees for extensions of time, please charge CBLH Deposit Account No. 22-0185, under Order No. 21776-00050-US from which the undersigned is authorized to draw.

Respectfully submitted,

By



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<sup>4</sup> See *Zurko*, 258 F.3d at 1386, 59 USPQ2d at 1697; *Ahlert*, 424 F.2d at 1092, 165 USPQ 421 (*emphasis added*).